

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Introduction

In May 2011, the province committed to update Nova Scotians every six months on its progress in implementing Auditor General's recommendations.

This report provides a brief summary of the recommendations, responses and status of the recommendations from April 2009 to January 2012. A summary response from each department is found in *Appendix 1* at the end of this report, with a breakdown of the recommendations by chapter and status.

Appendix 2 provides a summary of the status of all 2005 to 2008 Auditor General's recommendations. *Appendix 3* provides a summary of the TAGR system, the TAGR Steering Committee, and the internal processes involved in responding to Auditor General recommendations.

Background

Year	Month	Chapters	Number of Recommendations
2012	January	4 - financial reporting; 1 - follow-up on the status of the 2005 to 2009 recommendations	27
2011	November	5 - performance audits	43
2011	May	6 - performance audits; 1 - follow-up on the status of the 2005 to 2008 recommendations	101
2010	November	3 - performance audits; 3 - financial reporting	82
2010	June	3 - performance audits; 1 - follow-up on the status of the 2007 recommendations	43
2010	February	3 - performance audits; 3 - financial reporting	59
2009	July	1 - special report on Pandemic Preparedness	33
2009	April	3 - performance audits; 1 - follow-up on the status of the 2006 recommendations	47

Qualifying Statement (Disclaimer)

The information in this report is based on the applicable department's reporting of the status of the recommendations assigned to them. The Auditor General performs follow up reviews two years after the release of a report; as such, the status updates in this report have not been reviewed and could result in some future adjustments when reviewed by the Auditor General.

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Timing

Information in this report is as at May 31, 2012, and is based on information in the Tracking Auditor General Recommendations (TAGR) System.

Overall statistics

2012 Recommendations: 27 recommendations made by the Auditor General have been accepted; 74% of these recommendations are considered complete by departments

2011 Recommendations: 142 recommendations made by the Auditor General have been accepted; 38 % of these recommendations are considered complete by departments

2010 Recommendations: 182 recommendations made by the Auditor General have been accepted; 55% of these recommendations are considered complete by departments

2009 Recommendations: 77 recommendations made by the Auditor General have been accepted; 73% of these recommendations are considered complete by departments.

- Accepted status refers to the following status categories: complete, work in progress, planning stage, and no progress to date but plan to action.

- Complete status refers to the following status categories: complete.

Year ⁽¹⁾	# of Reports	# of Special Reports	Total Recommendations	Recommendations Accepted ^{(2) & (3)}	Recommendations Accepted & Complete
2012	1	0	27	27	74%
2011	2	0	144	142	38%
2010	2	1	184	182	55%
2009	1	1	80	77	73%

1) One report released as at May 15th, 2012

2) Percentage of recommendations accepted includes responses with "complete", "work in progress", "planning stage", and "no progress to date but plan to action"

3) Statistics collected from the TAGR System as at May 31, 2012

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Comparison of Years

For a comparison to prior years, the table (below) outlines the number of recommendations and percentage of completed.



The January 2012 AG report had 27 recommendations, of which 25 were assigned to Department of Finance. At the time the AG's report was released, Department of Finance was already working on the majority of the recommendations.

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Details

The table below outlines in more detail the reports, chapters, number of recommendations and status of the recommendations.

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations
Recommendations by Chapter					
January 2012					
Chapter 2: Results of Financial Audits and Reviews	13	6	-	-	19
Chapter 3: Governance and Control Framework	7	-	-	-	7
Chapter 5: Review of Audit Opinions and Management Letters	-	1	-	-	1
November 2011					
Chapter 2: Disaster Preparedness – Major Government Information Systems	1	14	-	-	15
Chapter 3: Meat Inspection Program	1	15	-	-	16
Chapter 4: Protection of Persons in Care	3	6	-	-	9
Chapter 5: Canada-Nova Scotia Offshore Petroleum Board	-	1	-	-	1
Chapter 6: Implementation of Nunn Commission of Inquiry	-	1	-	1	2
May 2011					
Chapter 2: Follow-up of 2005, 2006, 2007 and 2008 Recommendations	3	-	-	-	3
Chapter 3: Financial Assistance to Businesses through NSBI and IEF	15	3	-	-	18
Chapter 4: Colchester Regional Hospital Replacement	4	9	1	-	14
Chapter 5: Long Term Care – New and Replacement Facilities	1	6	-	-	7
Chapter 6: Office of the Fire Marshal	10	15	-	-	25
Chapter 7: Registry of Motor Vehicles	10	11	-	-	21
Chapter 8: Registry of Motor Vehicles Information and Technology	6	7	-	-	13
November 2010					
Chapter 2: Rent Supplement Housing	6	3	-	-	9
Chapter 3: Services for Persons with Disabilities	4	25	-	-	29
Chapter 4: Registry Systems	14	10	-	-	24
Chapter 5: Government Financial Reporting	11	8	-	1	20
June 2010					
Chapter 2: Financial Assistance to Businesses Through NSBI and IEF	4	2	-	-	6
Chapter 3: Management of Contaminated Sites	7	10	-	-	17
Chapter 4: Mental Health Services	5	14	-	-	19
Chapter 5: Follow-up of 2007 Recommendations	1	-	-	-	1
February 2010					
Chapter 2: Electronic Health Records	3	5	-	-	8
Chapter 3: Contract Management of Public-Private Partnership Schools	21	-	-	-	21
Chapter 4: Members' Constituency and Other	9	-	-	-	9
Chapter 5: Government Financial Reporting	16	4	-	1	21
July 2009					
Chapter 1: Pandemic Preparedness	25	8	-	-	33
April 2009					
Chapter 2: Government-wide: Audit Committees	8	4	-	2	14
Chapter 3: Government-wide: Information Technology Security	15	5	-	1	21
Chapter 4: Truck Safety	7	4	-	-	11
Chapter 5: Follow-up of 2006 Audit Recommendations	1	-	-	-	1
Total	231	197	1	6	435
Percentages	53%	45%	0%	1%	100%

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Allocation of Recommendations by Years to Departments/Offices:

	Complete	Work in Progress	Action no Longer Required	Do not intend to Implement	Total Recommendations
Recommendations by Department/Office					
Allocation of 2012 Recommendations					
<u>Departments</u>					
Education	-	1	-	-	1
Finance	19	6	-	-	25
Labour and Advanced Education	1	-	-	-	1
Allocation of 2011 Recommendations					
<u>Departments</u>					
Agriculture	1	15	-	-	16
Community Services	-	3	-	-	3
Economic and Rural Development and Tourism	15	3	-	-	18
Energy	-	1	-	-	1
Finance	-	5	-	-	5
Health and Wellness	8	16	1	-	25
Justice	-	1	-	1	2
Labour and Advanced Education	10	15	-	-	25
Service Nova Scotia and Municipal Relations	15	18	-	-	33
<u>Public Service Offices</u>					
Chief Information Office	2	9	-	-	11
Treasury Board Office	3	2	-	-	5
Allocation of 2010 Recommendations					
<u>Departments</u>					
Community Services	10	28	-	-	38
Economic and Rural Development and Tourism	3	2	-	-	5
Education	21	-	-	-	21
Environment	7	10	-	-	17
Finance	25	12	-	2	39
Health and Wellness	9	19	-	-	28
Service Nova Scotia and Municipal Relations	13	8	-	-	21
Transportation and Infrastructure Renewal	2	-	-	-	2
<u>Public Service Offices</u>					
Chief Information Office	1	2	-	-	3
Executive Council Office	1	-	-	-	1
Legislative Services	9	-	-	-	9
Allocation of 2009 Recommendations					
<u>Departments</u>					
Education	-	-	-	2	2
Finance	1	-	-	-	1
Health and Wellness	23	8	-	-	31
Justice	-	2	-	-	2
Service Nova Scotia and Municipal Relations	5	1	-	-	6
Transportation and Infrastructure Renewal	2	3	-	-	5
<u>Public Service Offices</u>					
Chief Information Office	15	5	-	1	21
Executive Council Office	2	-	-	-	2
Treasury Board Office	8	2	-	-	10
Total	231	197	1	6	435
Percentages	53%	45%	0%	1%	100%

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations	Percentage of Total Recommendations
Recommendations by Department/Office						
Allocation of 2009 to 2012 Recommendations						
<u>Departments</u>						
Agriculture	1	15	-	-	16	3.7%
Community Services	10	31	-	-	41	9.4%
Economic and Rural Development and Tourism	18	5	-	-	23	5.3%
Education	21	1	-	2	24	5.5%
Energy	-	1	-	-	1	0.2%
Environment	7	10	-	-	17	3.9%
Finance	45	23	-	2	70	16.1%
Health and Wellness	40	43	1	-	84	19.3%
Justice	-	3	-	1	4	0.9%
Labour and Advanced Education	11	15	-	-	26	6.0%
Service Nova Scotia and Municipal Relations	33	27	-	-	60	13.8%
Transportation and Infrastructure Renewal	4	3	-	-	7	1.6%
<u>Public Service Offices</u>						
Chief Information Office	18	16	-	1	35	8.0%
Executive Council Office	3	-	-	-	3	0.7%
Legislative Services	9	-	-	-	9	2.1%
Treasury Board Office	11	4	-	-	15	3.4%
Total by Status	231	197	1	6	435	
Percentages	53%	45%	0%	1%	100%	

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 1: For more detail on the 2009 to 2012 recommendations please visit the following departments/offices' websites:

Departments:

Community Services

<http://www.gov.ns.ca/coms/departement/Publications.html>

Economic and Rural Development and Tourism

<http://www.gov.ns.ca/econ/publications/>

Education

http://www.ednet.ns.ca/business_plans.shtml

Environment

<http://www.gov.ns.ca/nse/resources/publications.asp>

Finance

<http://www.gov.ns.ca/finance/en/home/publications/accountabilityreport.aspx>

Health and Wellness

<http://www.gov.ns.ca/dhw/corporate-reports.asp>

Justice

<http://www.gov.ns.ca/just/publications/>

Labour and Advanced Education

<http://www.gov.ns.ca/lae/pubs/>

Service Nova Scotia and Municipal Relations

<http://www.gov.ns.ca/snsmr/business-plan.asp>

Transportation and Infrastructure Renewal

<http://www.gov.ns.ca/tran/businessplan.asp>

Offices:

Chief Information Office

<http://gov.ns.ca/cio/publications/>

Executive Council Office

http://www.gov.ns.ca/exec_council/OfficePublications.html

Legislative Services

<http://nslegislature.ca/index.php/people/offices/speakers-administrative-office/>

Treasury Board Office

http://www.gov.ns.ca/exec_council/OfficePublications.html

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 2: 2005 to 2008 Recommendations

Overall statistics:

2008 Recommendations: 130 recommendations made by the Auditor General; 127 responses to the recommendations indicate acceptance; 69 % of these recommendations are considered complete by departments.

2007 Recommendations: 58 recommendations made by the Auditor General; 59 responses to the recommendations indicate acceptance; 61 % of these recommendations are considered complete by departments.

2006 Recommendations: 107 recommendations made by the Auditor General have been accepted; 100 responses to the recommendations indicate acceptance; 78 % of these recommendations are considered complete by departments.

2005 Recommendations: 97 recommendations made by the Auditor General have been accepted; 115 responses to the recommendations indicate acceptance; 78 % of these recommendations are considered complete by departments.

- Accepted status refers to the following status categories: complete, work in progress, planning stage, and no progress to date but plan to action.

- Complete status refers to the following status categories: complete.

Comparison of Years:

For a comparison to prior years, the table (below) outlines the number of reports, recommendations and percentage of completed implementations.

Year	# of Reports	# of Special Reports	Total Recommendations ⁽¹⁾	Total Responses to the Recommendations ⁽¹⁾	Recommendations Accepted ^{(2) & (3)}	Recommendations Accepted & Complete
2008	2	2	130	132	127	69%
2007	1	0	58	59	59	61%
2006	2	0	107	108	100	78%
2005	2	0	97	123	115	78%

1) Prior to 2009, some recommendations were assigned to multiple lead entities, resulting in a greater number of responses than recommendations.

2) Percentage of recommendations accepted includes responses with "complete", "work in progress", "planning stage", and "no progress to date but plan to action"

3) Statistics collected from the TAGR System as at May 31, 2012

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 2: 2005 to 2008 Recommendations (continued)

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations
Allocation of Recommendations					
February 2008					
Chief Information Office	-	5	-	-	5
Education	16	2	-	-	18
Environment	5	2	-	-	7
Finance	4	-	-	-	4
Health Promotion and Protection	14	5	-	-	19
Treasury Board Office	1	-	-	1	2
Subtotal	40	14	0	1	55
Percentages	73%	25%	0%	2%	100%
June 2008					
Labour and Advanced Education	1	-	-	-	1
Subtotal	1	0	0	0	1
Percentages	100%	0%	0%	0%	100%
October 2008					
Labour and Advanced Education	1	-	-	-	1
Subtotal	1	0	0	0	1
Percentages	100%	0%	0%	0%	100%
November 2008					
Community Services	-	-	-	1	1
Education	4	-	-	-	4
Finance	24	4	-	1	29
Health and Wellness	10	18	-	-	28
Labour and Advanced Education	2	2	-	1	5
Transportation and Infrastructure Renewal	5	2	-	-	7
Treasury Board Office	-	-	-	1	1
Subtotal	45	26	0	4	75
Percentages	60%	35%	0%	5%	100%
Total	87	40	0	5	132
Percentages	66%	30%	0%	4%	100%

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 2: 2005 to 2008 Recommendations (continued)

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations
Allocation of Recommendations					
June 2007					
Community Services	5	2	-	-	7
Finance	-	1	-	-	1
Health and Wellness	17	15	-	-	32
Justice	13	5	-	-	18
Service Nova Scotia and Municipal Relations	1	-	-	-	1
Total	36	23	0	0	59
Percentages	61%	39%	0%	0%	100%

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations
Allocation of Recommendations					
June 2006					
Community Services	8	1	-	1	10
Economic and Rural Development and Tourism	3	-	-	-	3
Education	23	9	1	2	35
Finance	4	2	-	-	6
Health and Wellness	9	4	2	-	15
Natural Resources	7	3	-	-	10
Subtotal	54	19	3	3	79
Percentages	68%	24%	4%	4%	100%
December 2006					
Finance	3	-	-	-	3
Health and Wellness	11	1	1	-	13
Justice	5	1	-	-	6
Public Service Commission	1	-	-	-	1
Transportation and Infrastructure Renewal	4	1	-	-	5
Treasury Board Office	-	-	-	1	1
Subtotal	24	3	1	1	29
Percentages	83%	10%	3%	3%	100%
Total	78	22	4	4	108
Percentages	72%	20%	4%	4%	100%

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 2: 2005 to 2008 Recommendations (continued)

	Complete	Work In Progress	Action no Longer Required	Do not Intend to Implement	Total Recommendations
Allocation of Recommendations					
June 2005					
Chief Information Office	1	-	-	-	1
Economic and Rural Development and Tourism	1	-	-	-	1
Education	4	3	-	1	8
Emergency Management Office	-	1	-	-	1
Finance	12	2	1	-	15
Health and Wellness	-	1	-	-	1
Natural Resources	11	3	-	2	16
Transportation and Infrastructure Renewal	6	5	-	1	12
Subtotal	35	15	1	4	55
Percentages	64%	27%	2%	7%	100%
December 2005					
Community Services	8	1	-	-	9
Economic and Rural Development and Tourism	1	3	-	-	4
Finance	11	-	-	2	13
Health Promotion and Protection	8	1	-	-	9
Intergovernmental Affairs	5	-	-	-	5
Justice	6	1	-	-	7
Labour and Advanced Education	6	2	-	1	9
Public Service Commission	1	1	-	-	2
Service Nova Scotia and Municipal Relations	-	1	-	-	1
Tourism, Culture and Heritage	5	-	-	-	5
Treasury Board Office	4	-	-	-	4
Subtotal	55	10	-	3	68
Percentages	81%	15%	0%	4%	100%
Total	90	25	1	7	123
Percentages	73%	20%	1%	6%	100%

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

Appendix 3: Tracking Auditor General Recommendations (TAGR): Internal Process

TAGR System

The TAGR system is a database of Auditor General recommendations and department responses to those recommendations. It was developed in cooperation with the Office of the Auditor General in 2008. When the AG releases a report, all recommendations are entered into the TAGR database and assigned to the appropriate departments/offices for action.

The TAGR system is continuously being updated by departments on the progress they are making to meet the AGs recommendations. A recommendation may have a status of "Work in Progress" one day and then be updated to "Complete" on another.

Information reported in the TAGR system is updated by the department/office responsible for the recommendation. This information is reported to the Steering Committee, Audit Committee and Auditor General after they have been reviewed by departmental program managers and senior management.

As with any system, when information is extracted (a snapshot in time) there can be some differences between the extract and the live system. There can also be a delay in reporting in the system from when a recommendation is implemented to when it is updated in the system, in part due to controls put in place to ensure information is received, recorded, reported and approved by the appropriate parties.

There are many examples of a recommendation moving from work in progress to complete. However, there are also circumstances where a department reports a recommendation as complete but upon validation it can be determined that the intent of the recommendation has not been met and the status would be moved back to work in progress.

As pointed out by the AG, the importance of any monitoring system is to ensure the information being provided is timely and accurately reflects the most up-to-date information. Those using the system must also be aware of its limitations and use the information appropriately. The province acknowledges that further training and more frequent updates should be done to ensure those using the system are reporting appropriately.

TAGR Governance Structure

The TAGR Steering Committee governs the TAGR process and acts as the conduit between the Audit Committee and the TAGR representatives within departments. The Steering Committee is made up of senior management from Department of Finance, Treasury Board Office and Office of Policy and Priorities. The Steering Committee reviews initial follow-up responses to

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

the Auditor General (two year old recommendations) but does not go back to older responses and review them every year unless specifically requested.

TAGR Liaisons and Coordinators in each department work with program managers to coordinate and review all recommendations and the responses. These Liaisons / Coordinators work with the Steering Committee to ensure the responses are updated in the TAGR system and they have been approved by the appropriate individuals.

Errors Identified

The Auditor General's May 2012 Report identified 82 errors in the TAGR database. The report went on to say *"As a result of our review, changes were made to the status of 82 recommendations reported in the system"* (Report of the Auditor General, May 2012, page 13). Based on the information and analysis of the 82 errors provided to the Steering Committee by the Office of the Auditor General, some of the changes suggested by the AG to the status of recommendations were as follows:

- 13 of the AG recommendations were split into two recommendations as it was determined that there could be two different statuses for one recommendation. As a result the status identified in TAGR for the split recommendations was changed to more appropriately fit the "split recommendation".
- 25 recommendations moved a step closer to "complete" through actions taken during the period between when the department updated their information in TAGR and when the AG reviewed the responses
- 3 responses, originally recorded as "complete", are now recorded as "action no longer required" or "do not intend to implement".
- 4 responses, originally recorded as "do not intend to implement" were changed to "action no longer required"; a further 2 responses, originally recorded as "work in progress" were changed to "action no longer required" and "do not intend to implement".
- 58 recommendations are still "active" recommendations meaning their status was changed to "work in progress" and/or "planning stage". These recommendation will likely change status again within the next year.
- 49 recommendations, after review with the AG, were determined to not be as far along as originally reported or had not met the intent of the recommendations. Some of these recommendations had been reported as "work in progress" and had their status changed to "planning stage", while some others were "complete" and moved to "work in progress".

Some of the 82 changes suggested by the AG were not discussed by the department, and as such the entity has not agreed that the error is a correct classification.

PROVINCIAL UPDATE ON AUDITOR GENERAL RECOMMENDATIONS

AS AT MAY 31, 2012

New "Failure to Implement" Category

The new category "Failed to implement" introduced in the AG's May 2012 Report addresses 2005 and 2006 recommendations that are categorized as "Work in Progress". The province agrees that recommendations should be addressed in a timely manner. However, some recommendations are complex and require additional resources for departments, legislative changes and consultation with stakeholder. This planning work can be significant and can be implemented over a number of years.

Some of the "failed to implement" recommendations were moved into this category without consideration given to the planning and work done to date or the status of a multiyear implementation plan. A few examples of recommendations categorized as "failed to implement are:

AG Recommendation (Recommendation 4.2, June 2005): We recommend the Department and RSBs analyze information needs for Special Education and consider the development of a Province-wide student information system to accumulate and report data.

Department of Education: The department worked with school boards and created a 4-year implementation plan. The department is now in the final year of implementing the \$14-million plan. Department and school board staff received no acknowledgement for their planning and work to implement this valuable recommendation.

AG Recommendation (Recommendation 6.2, December 2005): We recommend that the Department of Community Services develop formal file documentation standards for its child care centre licensing activities. In addition, efficiency of licensing activities should be increased by eliminating duplication of record keeping and more fully utilizing the computerized licensing system. For example, this could be achieved by providing Early Childhood Development Officers with the ability to complete licensing checklists electronically during inspection visits. We further recommend that the Department review and update its information system controls to prevent a licence from being renewed when there are outstanding compliance violations.

Department of Community Services: At the request of the Auditor General's Office, the status of this recommendation was changed from complete to WIP. Although most of the recommendation was implemented, at the time of the AG's review, there was still one outstanding piece - electronic checklist.